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**BLUE RIBBON
COMMITTEE MEETING
CALIFORNIA APPRENTICESHIP COUNCIL
MINUTES**

Thursday- June 10, 2008

I. CALL TO ORDER/ROLL CALL

Chairperson Jose Millan called the meeting to order at 10:00 a.m. Members present were: Jose Millan, Anne Quick, Patrick McGinn, Dina Kimble, Leo Garcia, and Glen Forman. A quorum was met.

A motion of approval of the minutes of May1, 2008 was moved by Commissioner Garcia and seconded by Commissioner McGinn.

It was moved and seconded that the minutes of the May1, 2008 be accepted. All were in favor; the motion carried.

II. Overview of the issue relating to expanding apprenticeship opportunities:

- Commissioner McGinn expanded on his thought of the expansion within the Public Works arena by stating that the committee should concentrate their efforts in the public sector and enforce the regulations we already have on the books. He felt that he needed additional opportunities to train apprentices more than he needed grant monies from DAS.
- Sandra Benson, representing the California Apprenticeship Coordinators Association; felt that Commissioner McGinn was suggesting that if one follows the Standards, Rules, Regulations and Operating Procedures Committee on determining how to modify the Regulations with respect to what is the obligations to keep apprentices. The way current regulations are written, it provides a loop hole that allows contractors who really don't want to hire apprentices an easy way out. She mentioned that the Committee has been finding ways to tighten the loop holes. The Regulation 230.1 will be brought before the CAC again in July due to a discrepancy in the date found by the Labor Agency then a meeting for public comment has been targeted around the beginning of 2009. Ms. Benson urged the full support of the Apprentice Community as well as the CAC to approve the changes that have been recommended. She also commented that the community should urge DLSE to begin enforcing the Apprenticeship hiring laws that currently exists on Public Works.
- A WECA representative made a clarification that the letter by the Northern California Carpenters Regional Council stated that ABC circulated a proposal regarding to expand Apprenticeship opportunities was indeed a coalition effort of merit shop groups including WECA, Roofers and ABC and not necessarily only ABC but a variety of groups.
- When discussing the possible expansion of apprenticeship opportunities through the exploration of new areas of public works activities that have not as yet been open to

apprentices, Chairman Millan gave an explanation that if you open up more areas of Public Works that have not been as yet opened to apprentices you add to the enforcement burden. He felt that the sentiment of the room felt there was not enough enforcement for the existing set of Public Works Construction Projects that exist, and that it is an issue that should be recognized that if you add more things to enforce with an inadequate enforcement staff then you're not really going to be achieving a desired result. On the negative side this would be something to consider.

- Chairman Millan asked Commissioner McGinn to elaborate on what specific types of Public Works activities he had in mind with respect to the expansion.
- Commissioner McGinn said he did not have any specifics other than to have apprentices be trained on Public Works than receive more activities through apprentices through California jobs.
- John Bullock, Carpenters Training Committee, clarified what he felt Commissioner McGinn to say is that their needs to be an effort put forth to enforce existing prevailing wage law to improve opportunities for apprentices. Mr. Bullock expressed the value and impact of bringing DAS Consultants onto a Public Works jobsite. He suggested that from the Public Works side, CAC should make recommendations in the Budget process to ensure those types of positions are adequately funded.
- Chairman Millan expressed his understanding of what was being proposed; it was suggested that DAS consultants visit Public Work sites to check on the number of Apprentices employed. Chairman Millan asked if it is suggested that DAS Consultants be "Deputized" to do enforcement activities relating to inadequate number or improper number or no apprentices employed on that Public Works job site.
- Mr. Bullock responded that the fact that the Consultants are one the job site, it prompts an employer to pay a closer attention to the standards that they are supposed to adhere to. He also felt that the Consultants that represent the State of an agency that is in charge of overseeing apprenticeship, is probably sufficient. He continued to express to look at what is current and expand opportunity from within what is already there.
- Commissioner Quick spoke about the loop hole that the contractors that have an agreement to train with a committee, fall under that committees' rules and regulations and standards and the committee can enforce that. She expressed that there are a large amount of contractors that choose not to be involved with a committee because they are aware of the loop hole. As an employer she would like to have the control to pull them before the committee if they are not doing what needs to be done.
- Chairman Millan asked if Commissioner Quick is proposing that regulations be changed to make it mandatory that contractors belong to some committee structure.
- Chairman Millan posed the question to Commissioner Quick if she felt that by closing the loop hole that the regulation be changed to make it mandatory that contractors belong to some committee structure.
- The discussion continued on addressing the issue of closing the loop in Regulation 230.1.
- Robert Fried, AALRR, suggested that the DAS or other enforcement experts look into modifying the Certified Payroll form to indicate the stages of compliance of the apprenticeship process such as; elements of apprenticeship compliance program on the form, check a box to say that you requested apprentices, check a box that you sent in your DAS 140.
- John Upshaw, RRCC, spoke about expansion of apprenticeship opportunities and looking at the private sector wages. He felt that perhaps an incentive should be

offered to companies that do not want apprentices in the Public Works market place, because it doesn't support the wages that are currently paid under Regulation 208.

- Commissioner Garcia expressed that an area that has a tendency to confuse contractors is that the Labor Code specifies that ratio is a daily ratio and many contractors as well as DAS, look at the end of the contract, therefore they have to make up the difference if there is any. He feels that the daily ratio should be enforced.
- Sandra Benson, California Apprenticeship Coordinators Association responded to Chairman Millans' inquiry that it is the Standards, Rules, Regulations & Operating Procedures committee that would look into the closing of the loop in Regulation 230.1 by agreeing but that it might not close the loop completely. At this time all a contractor has to do is say that they requested apprentices from "a" program. By changing it, it would require them to seek apprentices from "all" programs from that craft.
- Commissioner Garcia asked the cost of bringing back a DAS retired annuitant to do compliance for Public Works.
- Chief Deputy Director, David Rowan, suggested that at a future CAC meeting a forum could be set up a meeting to ask the Director to make sure the Department of Industrial Relations to bring the Labor Commissioner and anybody else from ECCC representation to discuss these issues.
- Chairman Millan recapped the discussions to say that there has been a recommendation that has been put forth that has received consensus, amongst everyone, to revise the CPR Form to include the certification language. He went on to say that it would not solve the problem but that plus the Standards, Rules, Regulations & Operating Procedures Committee activity combined may move things forward.
- Chief Deputy Director, David Rowan, commented that the issue is LCPs deal with LCPs have a relationship with the Labor Code with DLSE, not DAS. He continued to say that there is a legislation that is out there and is not aware of how it will be settled but he would follow up on any results.
- Acting Chief, Glen Forman stated that another issue is the language that is required on the CPR is regulated by regulation promulgated by DLSE. Changes would have to go through them.
- Commissioner Garcia is willing to waive his Safety Forum and have Mr. Rowan, through the Chair take care of what needs to be done with DLSE.
- For clarification purposes, Chairman Millan addressed Commissioner McGinn and asked if he agreed that changing the wording in Section 3.1 of the agenda to; possible expansion of apprenticeship opportunities through the effective enforcement of existing Public Works activities, best captured what he intended when he made the initial proposal. Commissioner McGinn agreed that it did.

III. Possible expansion of apprenticeship opportunities through the possible placement of apprentices on non-public works construction projects, including but not limited to, non public works commercial and construction projects.

- Chairman Millan asks the question, since there was a change to Section III, 1 of the agenda; does Section III, 2 adequately capture what Commissioner Garcia had intended. His response was that it does.
- Commissioner Garcia mentioned that the specifics are not fully outlined and asked everyone to look at the CACA recommendation and note that 80% of the construction in California is non-public works; therefore there is a tremendous amount of apprenticeship opportunities that are lost. It is the Commissioners intent to see if

there is a way to bring these apprentices into the apprenticeship system and in turn would create more opportunities for apprenticeship for training.

- Sandra Benson, California Apprenticeship Coordinators Association asks if Commissioner Garcia is asking to make it mandatory to hire apprentices in private construction. He responded that there is not a method or regulation that can enforce them to hire in the private construction area. If there is an apprenticeship program in place that requires them to adhere to a ratio, then, yes. Ms Benson clarified that if the standards require it, then they would have to hire the apprentice. She further asked if he is recommending to the Legislature that they make a requirement on private construction that exists on public construction. He feels that it would be the ultimate goal, but there needs to be a consensus among the industry and, if there is a feeling that there is a need and a potential. He also suggested that perhaps it could be done with what is now in existence.
- Commissioner Garcia went on to say that private industry construction is totally different in terms of wages, to the point, that union programs have a residential and wages have been lowered because of the difference between public works and private works. He feels that amongst the apprenticeship community, there must be a way to come up with a livable wage and a livable rate. He feels that because of the difference in the wages and fringe benefits it will not be easy. He feels that there is always for room for negotiations, but if the community cannot come together then why go further.
- Chairman Millan summarized comments made by Mr. Upshaw; asks if he looking to provide apprenticeship opportunities for non-public works activities when there is no Public Works that a particular contractor would be able to bid on. Mr. Upshaw agreed. Chairman Millan went on to say to allow the opportunity for an apprentice to learn the trade/craft in a non-public works setting rather than be unemployed because there is no Public Works activity for that particular apprentice to learn their trade or craft. Mr. Upshaw's response is that he would like to see more apprenticeship opportunities exist. Chairman Millan asked Commissioner Kimble if that is her position as well.
- Commissioner Kimble clarified that for private works, the reality is for non-signatory contractors, Regulation 208 causes, what ever the craft is, to be more expensive than the journey level worker in most cases. So the reality is, why would a contractor use somebody that has less training when they can afford a journey level person for less? In turn, Regulation 208 keeps the contractors from using those apprentices because it makes more economic sense to use a journey level person. She stated this is the issue; it has nothing to do with prevailing wage. Commissioner Kimble continued to say that if the apprenticeship community could come to a consensus or compromise on what an acceptable wage would be other than what Regulation 208 states at this time, that it would increase apprenticeship opportunities because companies who are not signatory would utilize more apprentices on their jobs because it would make economic sense to do so and they could still provide them training.
- Barry Lubiski, Secretary Treasurer, Building Construction Trades Council, Alameda County: expressed his concern about: the minimum wage standards in California; those do not address construction in general; Prevailing Wage, which is a wage standard that emanates out of a whole history around Public Works projects. But they didn't emanate merely from some wage standard that came out of a vacuum; it came out of a history of work forces coming out of the area displacing the local work forces. He further expressed that Apprenticeship in California has a sensibility and a history about it. Apprenticeship in California is not a wage standard, it is a training standard that was put in place with a certain objective, the objective being, that workers would recruited into that training program with those in regimented training

and come out at the other end with a level of confidence that would commensurate with what we in the field call, journey level of expertise. With that, if you look at the underlying motivation in term of whether you should or should not change the wage standard. He further went to say that if you have an apprenticeship policy that has the objective to training, and you change the wage standard from where they are working on Public Works job to working on a private job, this would indicate that there would be a potentially much higher loss of apprentices, where their wage can be changed. He feels that this a positive issue, the policy being, what is good training policy. He feels that the committee should look at this policy clearly and come to the conclusion that there should be one wage standard because the objective is training not merely wages.

- Commissioner Kimble asked for a clarification that 80 – 85% of construction market place, she believes that union contractors represent 16 – 20% of the market. Sandra Benson stated that in Northern California it is about 48% of the market place. Commissioner continued to say t she would like to look at the hard numbers and that after speaking with some of her colleague she found that most of the unions already offer a residential wage. Sandra Benson responded by clarifying that the residential wages only apply to journeymen, never to an apprentice. Commissioner Kimble asked clarification to Mr. Bullock that her apprentices should not make less on private works because their work is not worth less, but are you saying that your residential journey people deserve less than your regular. She mentioned that Mr. Bullock is already acknowledging that there are changes in the market and that is all she is trying to say. She would like to see a survey of how many unions offer a residential wage and differences between what they offer. She continued to state that if real numbers were available to look at, then perhaps there would be room to negotiate.
- Chairman Millan directed his comment to David Rowan, Chief Deputy Director; that he recalled of a similar issue on residential rates in Public Works that was circulating on a different issue because the unions were not providing that information to the Division Labor Statistics and Research at that time. He asked if that is still the case and does anyone in DLS&R have any information related to residential rates. He asked Mr. Rowan if he could provide some information at the next committee meeting to address Commissioner Kimble's' question. Mr. Rowan stated that he will provide a summary of what they do have.
- John Bullock recapped what Apprenticeship is about and how we got to where we are; Apprenticeship is about providing training, providing opportunity for people to get training. When you apply to participate in apprenticeship program, whether you are a single employer applying for your own joint or unilateral program, the state has recognized standards, that everybody that everybody that participate in those programs has to abide by. A lot has happened in the past few years to create industry wide standards that all parties participate in within the development, which has been done in many sectors. When you agree to meet those standards and your program is approved, whether you are a single employer program or one that has hundreds or thousands of employers that participate, they are all obligated to follow those standards. There are some segments of all our industries that do not lend themselves to providing trade. The residential market used to be a market where single family homes got built from the ground up by the same crew, that no longer exist. People have struggled with trying to downgrade an apprenticeship program to fit the market as it exists today, but in some cases, that market does not resemble what it used to be. The residential market today is a specialized market. In some cases it is not the place to have an apprentice that you want to have trained, because, once you have become a productive worker, whether you are building foundations, laying subfloor,

or framing; it has broken down in so many segments that everyone is a specialist. This continues today. You need to rotate those apprentices to see that they are trained. You have to provide them with the opportunities. Union employers give up valuable time on the job site because there is a value in it. We should be talking to people and educating people that are in the business for the long haul, not simply in it for the profit. If you sign up to train than you have to follow the standards.

- Commissioner Kimble responded to Mr. Bullock to say that there is no law that requires contractors to use apprentices on private work. Those that go to Home Depot or a corner to find workers, are not going to use apprentices anyway. We are not trying to get those people to use apprentices, we are talking about the good companies that are dedicated to training, that do Public Works and Private Works that want to use their apprentices about freely and economically, people that are willingly taking on apprentices when they don't need to.
- Chief Deputy Director, David Rowan recapped that DAS is interested in making training opportunities for any of the apprenticeship trainers and opportunities available to people. Mr. Rowan has spoken to many of the crafts that participate in the apprenticeship and asked them what their questions are like if they could increase their crafts participation in residential market place. Most trades would like to do something but did not know how to go about it. He continued to say that this type of public discussion would be helpful to open up opportunities for people to work in the residential market place.
- Chairmen Millan finished the meeting stating that there was no point in continuing discussion if there is not going to be a consensus among the committee members to move a recommendation to the CAC. He asked the Commissioners if they felt it would be worthwhile to continue this discussion and discourse at the next CAC meeting in San Diego or leave alone with no recommendation. Commissioner McGinn responded by saying that there are contractors working in the private sector that struggle against an economy that is slipping with competition that involves contractors that exploit the workers. The problem to try to address to the committee is to protect the wages to make it easier for them to compete. He still feels that there is still a need to discuss how to expand opportunities in the public sector.
- Commissioner Kimble would still like to discuss this at one more meeting to look at the raw data of wages and what is in current agreement.
- Chairman Millan asked Mr. Rowan if he could have DLS&R give the members of the committee prior to the next CAC. He agreed.
- Mr. Bullock requested that the information be posted on the website. DLS&R will publish their next determination in August.
- The discussion will continue at the next CAC meeting in July at the Hilton San Diego.
- Chairman Millan made a motion to adjourn.
- It was moved by Commissioner Garcia and seconded by Commissioner Kimble to adjourn the meeting

III. Adjournment

- The meeting was adjourned at 2:20 p.m.